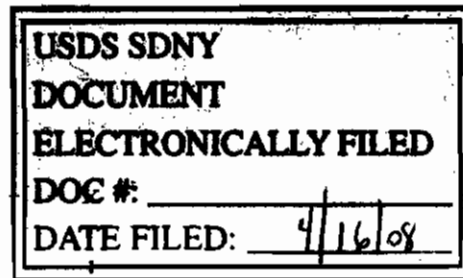


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



UNITED STATES OF AMERICA

-v.-

DANIEL E. MARINO,

Defendant.

: DISTRIBUTION ORDER

: 05 Cr. 1036 (CM)

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WHEREAS, on April 14, 2008, a Restitution Order was entered by the Court, ordering that DANIEL E. MARINO pay a total of \$300,000,000.00 in restitution to the persons, and in the individual amounts, identified on Attachment A of the Order.

WHEREAS, there are additional investors in the Bayou Funds who redeemed all or part of their investment (the "Redeeming Investors") and may be ordered to return a part of their investment in connection with the bankruptcy proceeding, In Re Bayou Group LLC, et al, 06-22306 (ASH), taking place in the United States Bankruptcy Court for the Southern District of New York, and will thus have suffered a pecuniary loss from the Bayou Funds fraud;

WHEREAS, the Redeeming Investors, who are identified in Attachment 1 of this Order, may then move to amend the Restitution Order;

WHEREAS, Assistant United States Attorney Sharon Cohen Levin, Chief of the Asset Forfeiture Unit, of the United States's Attorney's Office for the Southern District of New York, has

represented that she will request that the Department of Justice apply its Restoration Policy to transfer the funds forfeited in this action, in United States v. James G. Marquez, 06 Cr. 1138 (CM), and in United States v. Samuel Israel III, 05 Cr. 1039 (CM) (the "Forfeited Funds"), to the Clerk of the Court to be distributed to the Bayou Funds fraud victims pursuant to the Restitution Order entered in this action;

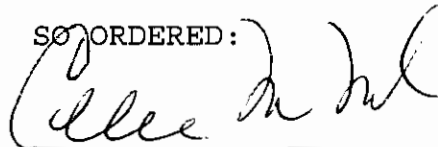
IT IS HEREBY ORDERED, ADJUDGED AND DECREED that in accordance with the Restitution Order and upon the approval by the Department of Justice of the United States Attorney's Office's Restoration request and the transfer of the Forfeited Funds to the Clerk of the Court, the Clerk of the Court is hereby directed to distribute the Forfeited Funds in the following manner:

- 74.82% of the Forfeited Funds are to be disbursed to the Bayou Fraud victims, in accordance with the Restitution Order;
- 25.18% of the Forfeited Funds are to be held in reserve pending any amendment of the Court's Restitution Order, and pending further order of the Court.

IT IS FURTHER ORDERED that the Forfeited Funds held in reserve shall be placed in an interest bearing account.

Dated: New York, New York
April 14, 2008

SO ORDERED:

A handwritten signature in black ink, appearing to read 'Colleen McMahon', is written over a horizontal line.

HONORABLE COLLEEN McMAHON
UNITED STATES DISTRICT JUDGE

ATTACHMENT 1

BAYOU ONSHORE REDEEMING INVESTORS

Redwood Growth Partners, L.P.
Christian Brothers High School Endowment
D. Canale Beverages, Inc.
Fred Montesi IRA and Fred Montesi
Helen Yulman Revocable Trust
Heritage Hedged Equity Fund LP
John D. Canale III
KFI Capital Partners LLC
Mary P. Smythe Residuary Trust
Mary Jane Pidgeon Sledge
Mayer & Morris Kaplan Foundation
YK Investment Partnership II
Marvin E. Bruce Living Trust
Freestone Low Volatility Partners LP
William Strang
Randall M. & Sheryl B. Rothstein
Alan Osofsky
Madison Capital Advisors Ltd.
Highgate Partners LP
DW Resources Defined Benefit Plan and Marc Daniels
Michael Mann
Myrna Bennett
H&B Hedge Fund II LLC
Marc Fleisher IRA and Marc Fleisher
Peter Haje IRA and Peter Haje
Kevin Bass
Michael Davidson
Sterling Stamos Growth Fund, LP
Sterling Stamos Security Fund, LP
Sterling Stamos Liquidity Fund, LP
Sterling Stamos Security Fund - Friends & Family, LP
DB Structured Products, Inc.
High Sierra Investments
John Barr III IRA and John Barr III
Neil D. Cohen
Edward & Virginia Sorkin
American Masters Opportunity Fund LP
American Masters Opportunity Fund II LP
American Masters Opportunity Insurance Fund LP

BAYOU OFFSHORE REDEEMING INVESTORS

Bayou Offshore Fund A

Investor 1*
Investor 2*
Investor 3*
Investor 4*
Investor 5*

Bayou Offshore Fund B

Investor 6*
Investor 7*

Bayou Offshore Fund C

Investor 8*

* The name of the Redeeming Investor has been redacted due to the applicable laws of the Cayman Islands.